GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:22
ANSWERED ON:21.11.2000
NON UTILISATION OF CENTRAL FUNDS BY STATES
GANGASANDRA SIDDAPPA BASAVARAJ;JASWANT SINGH YADAV

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government propose to remove urban-rural disparity in the country;

(b) if so, the details thereof;

(c) whether a study conducted by the Government has indicated that crores of rupees allocated under various Central Schemes do not reach the beneficiaries in villages;

(d) if so, the details in this regard, State-wise, scheme-wise;

(e) the main recommendations of the study report;

(f) the details of the States which have been deprived of the funds by his Ministry for not fulfilling the norms for the purpose;
(g) the details of the States that have not utilised the funds; and
(h) the steps taken or proposed to be taken by the Union Government to ensure that the funds are utilised fully by the States and the works are taken up immediately on receipt of the funds ?

Answer

MINISTER OF RURAL DEVELOPMENT (SHRI M. VENKAIAH NAIDU)

(a) to (h) : A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO.22 DUE FOR ANSWER ON 21st NOVEI 2000

Balanced socio-economic development has been an essential component of India`s development strategy relating, inter alia, to rural-urban disparity to reduce which (including in the average standards of living of the people) greater focus is being directed to agriculture and rural development, so as to increase agricultural productivity, as also the degree of integration with the villages through improved connectivity in terms of transport, communications and marketing support. The provision of safe drinking water, primary health care, universal primary education, shelter and connectivity, in a time bound manner, are the broad objectives of the Ninth Five Year Plan and anti-poverty programmes such as the Swarnjayanti Gram Swarozgar Yojana (SGSY), the Jawahar Gram Samridhi Yojana (JGSY) and the Employment Assurance Scheme (EAS) are beingmplemented to generate employment and to augment village infrastructure in the rural areas .

2. The Pradhan Mantri GramodayaYojana (PMGY) is specifically designed to ensureprovision of basic amenities in the rural areas like shelter, drinking water, public health, primary education and nutrition. The Pradhan Mantri Gram Sadak Yojana is being introduced to speedily provide road connectivity in the rural areas.

3. The Ministry of Rural Development haveconducted Evaluation and Impact Assessment Studies in respect of certain Central schemes some of whose main recommendations/findings are annexed. The States whichcould not avail full Central allocation for the year 1999-2000 under various Rural Development Programmes were Arunachal Pradesh(97.47%), Assam(79.83%), Bihar(75.84%), Goa(54.53%), Jammu and Kashmir(80.53%), Karnataka(97.56%), Kerala(91.99%), Maharashtra(99.77%), Manipur(37.56%), Meghalaya(62.57%), Nagaland(98.98%), Punjab(99.28%), Uttar Pradesh(92.28%) and West Bengal(65.31%). The States which utilised less than 85% of the total available funds (15% being the permissible carry over) during 1999-2000 were Assam(65.79%), Bihar(67.39%), Jammu & Kashmir(59.70%), Karnataka(81.99%), Kerala(76.11%), Manipur(59.29%), Meghalaya(63.16%), Mizoram(80.56%), Nagaland(79.06%), Orissa(58.49%), Punjab(64.92%), Rajasthan(74.08%), Sikkim(53.17%), Uttar Pradesh(73.34%) and West Bengal(69.54%).

4. The Ministry of Rural Development have a comprehensive system of monitoring through such mechanisms as Periodic Progress Reports, Inspection by the State officials and also by Area Officers of the Ministry, Performance Review Committee and Video Conferencing so as to facilitate timely utilisation of funds by the States/UTs. The release of funds is subject to receipt of Utilisation Certificates and Audit Reports. It has been impressed upon the State Chief Ministers, from time to time, to ensure efficient utilisation of funds and the Ministry have also introduced a system of `graded cuts` (in allocation to States) should submission of proposals for release of Second Instalment be delayed.

Annexure

STATEMENT REFERRED TO IN LOK SABHA STARRED QUESTION NO. 22 DUE FOR REPLY ON 21.11.2000.

Major findings of Concurrent Evaluation of Integrated Rural Development Programme (IRDP) conducted during 1995-96

1. Almost 85% of the old beneficiaries crossed the earlier poverty line of Rs.6400/- and a little over 46% crossed the revised poverty line of Rs.11000/-.

2. More or less similar results for SC & ST beneficiaries crossing the poverty line.

3. A little over 75% of the old beneficiaries and 93% new beneficiaries did not report any sale of IRDP assets.

4. The average net income of old beneficiaries was Rs.2498/- for the primary, secondary and tertiary sector put together.

5. The quality of productive assets was reported to be good in the case of a little over 94% of old beneficiaries and 87% new beneficiaries.

6. 71 to 78% beneficiaries reported the assistance for purchase of assets as adequate.

7. A little over 14% women headed households received IRDP assistance. In about 51% villages economic activities were disrupted due to natural calamities.

8. Gram Sabha selected only about 26% beneficiaries.

9. Officials selected 56% beneficiaries.

10. Only 48% of the assets were insured.

11. Time taken for sanction of loan was a month only in 24% cases.

12. 45% beneficiaries reported 2 or more weeks wage loss for follow up of the cases.

13. 42% of the beneficiaries reported assets to be not in use.

14. 55% reported over dues, out of which 23% reported to be willful defaulters.

15. 22% reported making payment by way of consideration to the Government/Bank staff for getting IRDP assistance.

MAJOR FINDINGS OF THE IMPACT ASSESSMENT STUDIES CONDUCTED IN 1999 ARE GIVEN BELOW :

1. Majority of the recipients of assistance for creating assets was earning viable income from the scheme.

2. Increment in employment days and income has resulted in better quality of meal.

3. Shortage of personnel and resources is a major hurdle in implementation of programmes.

4. The target group enjoys better standard of living in the villages which indicates that impact of these programmes has been favourable in the past in raising the standard of living of the poor people.

5. Transparency in selection of beneficiaries, maintenance of records, and maintenance of databases needs improvement.

6. Despite many problems, the poverty alleviation programmes had definitely made an impact. All stakeholders had reported that although piecemeal, the villages had certainly progressed in the past three years, especially due to the creation of community assets like roads, water points, essential buildings like the school, etc. There were reports of increasing affordability for basic necessities and other household expenses. In many cases, the additional income had been diverted to the education of the children. Beneficiaries from the MWS had reported increasing productivity of crops and a rise in agricultural income.

7 Under NOAPS most of the beneficiaries received benefits in time. 43 percent of the beneficiaries were women. 40 percent of the beneficiaries under the scheme said that the pension is not paid regularly.

8. There is a need to have professional and realistic approach for identification of viable projects, be it for the beneficiaries or for the village.

9. Beneficiaries specially under IRDP and DWCRA find it very difficult to market the products manufactured by them. This is due to lack of quality of the product being manufactured. There is need to adopt appropriate technology to suit rural entrepreneurs and create awareness among the beneficiaries regarding the importance of maintaining quality.

10. Most of the projects identified under the various programmes suffer mainly due to unscientific way of fixing the project cost.